

ACADIA PARISH SHERIFF
Crowley, Louisiana

**ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2013

ACADIA PARISH SHERIFF
Crowley, Louisiana

ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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ACADIA PARISH SHERIFF
Crowley, Louisiana

ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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December 27, 2013

INDEPENDENT AUDITOR'S REPORT

The Honorable Wayne A. Melancon
Acadia Parish Sheriff
Crowley, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Acadia Parish Sheriff, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Acadia Parish Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Parish Sheriff as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that Management's Discussion and Analysis on pages 4 through 9 and the budgetary comparison information on pages 41 and 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Acadia Parish Sheriff's basic financial statements as a whole. The other supplementary information of pages 45 thru 48 is presented for purposes of additional analysis and is not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with **Government Auditing Standards**, we have also issued our report dated August 30, 2013, on our consideration of the Acadia Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** in considering the Acadia Parish Sheriff's internal control over financial reporting and compliance.

Broadhurst, Hamilton & Company
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Management's Discussion and Analysis (Unaudited)

Within this section of the Acadia Parish Sheriff's (the Sheriff) annual financial report, the Sheriff's management is please to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2013. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statement and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceeded its liabilities by \$4,941,735 (Net Position) for the fiscal year reported. Total Net Position is comprised of the following:

- Capital assets of \$522,195 that includes property and equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase of capital assets.
- Unrestricted net assets of \$4,353,182 which represents the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.
- Restricted net assets of \$66,358 which represent amounts in the bond sinking fund to be used for payment of the bi-annual interest and principal payments for the long-term bonds.

The Sheriff's governmental funds report total ending fund balance of \$9,057,467 this year. This compares to the prior year ending fund balance of \$8,047,488, showing an increase of \$1,009,979 or the current year. At the end of the current fiscal year, the unrestricted fund balance for the General Fund was \$8,966,772 or 99.35% of the total General Fund expenditures and 89.47% of total General Fund revenues including transfers. The financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Sheriff's financial statements. The financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Sheriff also includes in this report additional information to supplement the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or function on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes. The sole purpose of these governmental activities is public safety. The government-wide financial statements are presented on pages 12 and 13 of this report.

Management's Discussion and Analysis (Unaudited)

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The basic governmental fund financial statements are presented on pages 15-20 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The Sheriff only reports agency funds. The basic fiduciary fund financial statement is presented on page 20 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

OTHER INFORMATION

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. This statement is a schedule demonstrating compliance with the Sheriff's adopted and final revised budget. Required supplemental information can be found on pages 41-42 of this report. In addition, more detailed nonmajor fund (special revenue fund) information and details of the individual agency funds are presented as supplementary information presented on pages 43 thru 48 of this report.

Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The following table provides a summary of the Sheriff's Net Position:

SUMMARY OF NET POSITION
AS OF JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Percentage of Total</u>
ASSETS		
Cash and cash equivalents	\$ 2,018,178	20.26%
LAMP Investments	6,302,236	63.27%
Other receivables	1,108,930	11.13%
Prepaid items	10,282	.10%
Capital assets, net	<u>522,195</u>	<u>5.24%</u>
TOTAL ASSETS	<u>\$ 9,961,821</u>	<u>100.00%</u>
LIABILITIES		
Current liabilities:		
Accounts and other accrued payables	\$ 160,389	3.19%
LSA Grant payable	10,000	.20%
Bonds payable - current portion	85,000	1.69%
Long-term liabilities:		
Compensated absences	49,814	.99%
OPEB obligation	4,328,112	86.22%
Estimated medical liabilities	211,771	4.22%
Bonds payable	<u>175,000</u>	<u>3.49%</u>
TOTAL LIABILITIES	<u>\$ 5,020,086</u>	<u>100.00%</u>
NET POSITION		
Net investment in capital assets	\$ 522,195	
Restricted for debt service	66,358	
Unrestricted	<u>4,353,182</u>	
TOTAL NET POSITION	<u>\$ 4,941,735</u>	

The Sheriff continues to maintain operations with long-term debt attributable only to the purchase of the Acadia Parish Detention Center (APDC). This is an indication of the Sheriff's ability to pay his obligations as they become due. The Sheriff reported positive balances in net position for the governmental activities. Net position decreased by \$234,898 for governmental activities in fiscal 2013. The sheriff is addressing rising expenditures by assessing all spending and determining which expenditures may be cut in order to improve the financial strength while continuing to provide exceptional law enforcement to which the residents of Acadia parish have become accustomed. During this time of record high fuel costs, the cost of patrolling the parish is being kept under control by implementing fuel rationing by not allowing the patrol cars to idle while parked and also limiting the patrol mileage to only the amount that needs to be driven. These are examples of some of the measures being taken in order to continue to serve the Acadia parish area with the exceptional law enforcement provided by the Acadia Parish Sheriff.

Management's Discussion and Analysis (Unaudited)

Comparative data for government-wide information is presented to assist analysis in future years. The following table provides a summary of the Sheriff's changes in Net Position:

	June 30, 2013		June 30, 2012	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
REVENUES:				
Program:				
Charges for services/fines	\$ 2,369,510	23.61%	\$ 2,355,455	24.46%
Operating and capital grants	1,123,225	11.19%	1,111,943	11.55%
General:				
Sales taxes	3,797,310	37.83%	3,629,464	37.69%
Property taxes	2,383,377	23.75%	2,216,446	23.02%
Interest	37,338	0.37%	14,174	0.15%
Miscellaneous	325,791	3.25%	300,944	3.13%
TOTAL REVENUES	\$ 10,036,551	100.00%	\$ 9,628,426	100.00%
PROGRAM EXPENSES:				
Public safety	\$ (10,271,449)	100.00%	\$ (9,181,757)	100.00%
TOTAL EXPENSES	\$ (10,271,449)	100.00%	\$ (9,181,757)	100.00%
CHANGE IN NET POSITION	\$ (234,898)		\$ 446,669	
BEGINNING NET POSITION	5,176,633		4,729,964	
ENDING NET POSITION	\$ 4,941,735		\$ 5,176,633	

Governmental Revenues - The Sheriff is heavily reliant on parish-wide property and sales tax revenues to support its operations. For the year ending June 30, 2013, property taxes provided 23.75% and sales taxes provided 37.83% of the Sheriff's total revenues. Because of the Sheriff's healthy financial position, the Sheriff has been able to earn \$37,338 in interest earnings to support governmental activities. Also, note that program revenues cover only 34.08% of governmental operating revenues. This means that the government's taxpayers and the Sheriff's other general revenues fund 65.20% of its operations.

Governmental Functional Expenses - The total function of the Sheriff's office is public safety-law enforcement activities. Of the total costs, depreciation of the office equipment and vehicles was \$238,395 or 2.32% of total expenses.

Major governmental Fund - The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's 2013 fund balance increased by \$1,011,194. Several factors contributed to this fund increase.

From a revenue standpoint, property tax collections increased \$166,931 or 7.53%, sales tax collections increased \$167,846 or 7.57%, operating and capital grant revenues increased \$11,282 or 1.01% and charges for services and fees increased \$14,054 or .60%. The remaining change in revenues was spread throughout various revenue and other financing resources categories and amounted to a net increase of \$48,011 or 15.24%. Expenditures reflect a net increase of \$1,089,360 from 2012, or about 11.87%.

Non-major Governmental Funds - The non-major fund that the Sheriff's office maintains is the Grant Fund. The primary revenue stream in the Grant Fund is federal grants for narcotics investigations. The Grant Fund is used to account for grant monies received for specific equipment purchases and deputies' overtime pay related to criminal patrol.

Management's Discussion and Analysis (Unaudited)

BUDGETARY HIGHLIGHTS

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Total governmental funds reported ending fund balances of \$9,057,467. The total ending fund balances of governmental funds showed an increase of \$1,009,979.

General Fund - The General Fund's original and final revenue budgets were less than the actual amounts reported in fiscal year 2013. The final amended budget reported revenues increasing 5.29% over the original budget and the actual was 6.41% above the final budget revenue. Some of the reasons for the increase in revenues include:

- An increase in total fees, fines, commissions and charges for services
- An increase in revenues from sales taxes and ad valorem taxes
- An increase in other miscellaneous revenue sources

The final expenditure budget reported an increase of 1.98% over the original budget amounts. The actual expenditures were less than the final budget by (0.81%).

Although the overall decrease in the amended budget was small, some of the reasons for the changes in the expenditure budget to actual included:

- An increase in liability insurance
- A small decrease in personnel costs
- An increase in operating and maintenance costs
- An increase in group hospitalization coverage
- An decrease in capital outlays
- A decrease in auto repairs, maintenance and fuel
- A decrease in prisoner feeding and maintenance

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2013 and 2012, was \$522,195 and \$533,648, respectively. The following table provides a summary of capital asset activity:

	Governmental Activities	
	2013	2012
<u>Depreciable assets:</u>		
Office Equipment, Furniture & Vehicles	\$ 2,303,524	\$ 2,262,749
APDC	<u>1,000,000</u>	<u>1,000,000</u>
Total Depreciable Assets	\$ 3,303,524	\$ 3,262,749
Less: Accumulated Depreciation	<u>2,781,329</u>	<u>2,729,101</u>
Book value - Depreciable Assets	<u>\$ 522,195</u>	<u>\$ 533,648</u>

At June 30, 2013, the depreciable capital assets for governmental activities were 84.19% depreciated versus 83.64% in the prior year. This comparison indicates that the Sheriff is replacing its assets at a rate that is faster than the overall rate of depreciation. If the rate of replacement continues at this rate, the capital assets will continue to have a positive book value in the coming years. This percentage is a positive indicator. During the years ending June 30, 2013 and 2012, the Sheriff purchased \$227,768 and \$256,384, respectively, of new assets. In addition, during the years ending June 30, 2013 and 2012, the Sheriff disposed of assets totaling \$186,993 and \$41,360, respectively.

Debt Outstanding - At year end, the Sheriff's long-term debt is due and payable to employees for uncompensated absences and for the outstanding bonds payable issued for the purchase of the Acadia Parish Detention Center (APDC).

Management's Discussion and Analysis (Unaudited)

As of October 1, 2005, the Series 2000 Detention Center bonds, dated December 1, 2000 and bearing an interest rate of 8.85% were called and reissued as the Series 2005 Detention Center Refunding Bonds bearing a reduced interest rate of 4%. This reduction in interest was done to aid the sheriff in reducing debt servicing expenditures and thereby increasing unrestricted funds available to the sheriff for law enforcement activities within the parish.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, compliance with governmental financial reporting laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Wayne Melancon, Sheriff, 1037 Capitol Avenue, Crowley, LA 70526.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT - WIDE
FINANCIAL STATEMENTS (GWFS)**

STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,018,178
LAMP Investments	6,302,236
Other receivables (Net of allowances)	1,108,930
Prepaid items	10,282
Capital assets, net of accumulated depreciation	<u>522,195</u>
TOTAL ASSETS	<u>\$ 9,961,821</u>
LIABILITIES	
Current Liabilities:	
Trade accounts payable	\$ 160,389
LSA Grant payable	10,000
Bonds payable - current portion	85,000
Non-current liabilities:	
Compensated absences	49,814
OPEB obligation	4,328,112
Estimated medical liabilities	211,771
Bonds payable	<u>175,000</u>
TOTAL LIABILITIES	<u>\$ 5,020,086</u>
NET POSITION	
Net Investment in capital assets	\$ 522,195
Restricted net position for debt service	66,358
Unrestricted net position	<u>4,353,182</u>
TOTAL NET POSITION	<u>\$ 4,941,735</u>

The accompanying notes are an integral part of this statement.

ACADIA PARISH SHERIFF
Crowley, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Fees, Fines, Commissions and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Public safety	\$ 10,271,449	\$ 2,369,510	\$ 1,123,225	\$ -	\$ (6,778,714)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes					
					\$ 2,383,377
Sales taxes, levied for general purposes					
					3,797,310
Interest and investment earnings					
					37,338
Miscellaneous					
					325,791
Total General Revenues					\$ 6,543,816
Changes in Net Position					\$ (234,898)
NET POSITION - BEGINNING OF YEAR					5,176,633
NET POSITION - END OF YEAR					\$ 4,941,735

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,983,841	\$ 34,337	\$ 2,018,178
LAMP Investments	6,302,236	-	6,302,236
Receivables	1,108,930	-	1,108,930
Interfund receivables	-	-	-
Prepaid expenses	10,282	-	10,282
TOTAL ASSETS	<u>\$ 9,405,289</u>	<u>\$ 34,337</u>	<u>\$ 9,439,626</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Due to other taxing bodies	\$ -	\$ 10,000	\$ 10,000
Trade accounts payable	157,788	-	157,788
Estimated medical payments	211,771	-	211,771
Accrued interest payable	2,600	-	2,600
Interfund payables	-	-	-
Held for other agencies	-	-	-
Total liabilities	<u>\$ 372,159</u>	<u>\$ 10,000</u>	<u>\$ 382,159</u>
Fund Balance:			
Committed for debt service	\$ 66,358	\$ -	\$ 66,358
Restricted by grantors	-	24,337	24,337
Unassigned	8,966,772	-	8,966,772
Total fund balance	<u>\$ 9,033,130</u>	<u>\$ 24,337</u>	<u>\$ 9,057,467</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 9,405,289</u>	<u>\$ 34,337</u>	<u>\$ 9,439,626</u>

The accompanying notes are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

Total Fund Balances for Governmental Funds as of June 30, 2013 **\$ 9,057,467**

**Amounts reported for governmental activities in the statement
of net position is different because:**

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds.

Cost of Capital Assets	\$ 3,303,524	
Less: Accumulated Depreciation	<u>(2,781,330)</u>	522,194

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the
governmental funds.

Compensated absences payable	\$ (49,814)	
OPEB obligations	(4,328,112)	
Bonds payable	<u>(260,000)</u>	<u>(4,637,926)</u>

Total Net Position of Governmental Activities as of June 30, 2013 **\$ 4,941,735**

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>REVENUES:</u>			
Fees, Fines, Commissions and Charges for Services:			
Commissions - Fines & bonds	\$ 29,505	\$ -	\$ 29,505
Civil & criminal fees	388,597	-	388,597
Court attendance	12,104	-	12,104
Community service reimbursements	32,906	-	32,906
Bond fees	28,199	-	28,199
Transportation of prisoners	49,225	-	49,225
Feeding & keeping of prisoners	1,562,362	-	1,562,362
Tax notices, etc.	65,590	-	65,590
Other fees charges & commissions	201,022	-	201,022
Fines and forfeitures	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fees, Fines Commissions And Charges for services	\$ 2,369,510	\$ -	\$ 2,369,510
Operating Grants and Contributions:			
Federal grants	\$ 24,595	\$ -	\$ 24,595
State grants	303,804	-	303,804
State supplemental pay	468,981	-	468,981
State revenue sharing	325,845	-	325,845
	<u> </u>	<u> </u>	<u> </u>
Total Operating Grants and Contributions	\$ 1,123,225	\$ -	\$ 1,123,225
Revenue from Taxes:			
Sales taxes	\$ 3,797,310	\$ -	\$ 3,797,310
Ad valorem taxes	2,383,377	-	2,383,377
	<u> </u>	<u> </u>	<u> </u>
Total Revenue from taxes	\$ 6,180,687	\$ -	\$ 6,180,687
Miscellaneous:			
Interest income	\$ 37,338	\$ -	\$ 37,338
Other income	311,511	-	311,511
	<u> </u>	<u> </u>	<u> </u>
Total Miscellaneous	\$ 348,849	\$ -	\$ 348,849
TOTAL REVENUES	\$ 10,022,271	\$ -	\$ 10,022,271
<u>EXPENDITURES:</u>			
Personnel Salaries:			
Sheriff	\$ 143,398	\$ -	\$ 143,398
Deputies	4,360,006	-	4,360,006
Employee Related Benefits:			
Pension fund	488,709	-	488,709
Unemployment insurance	1,269	-	1,269
Medicare	77,399	-	77,399
Fringe benefits - Federal funds	-	-	-

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

EXPENDITURES (CONT.)	General Fund	Nonmajor Funds	Total
Operating Services:			
Liability insurance	243,864	-	243,864
Hospitalization	1,685,858	-	1,685,858
Telephone	90,282	-	90,282
Operating and Maintenance:			
Boat expense	4,127	-	4,127
Computer expenditures	79,687	-	79,687
Office expenditures	158,895	-	158,895
Dues and subscriptions	25,816	-	25,816
Prisoner feeding and maintenance	650,378	-	650,378
Prisoner transportation	3,611	-	3,611
Professional services	42,000	-	42,000
Other direct cost - Federal grants	-	-	-
Deputy:			
Uniforms	27,256	-	27,256
Equipment and supplies	36,340	-	36,340
Training	63,433	-	63,433
Automobile:			
Repair and maintenance	108,439	-	108,439
Fuel and oil	289,844	-	289,844
Crime prevention expense	440	-	440
Criminal investigations	32,734	-	32,734
Juvenile programs	61,881	-	61,881
Radio maintenance	10,411	-	10,411
Canine maintenance	3,018	-	3,018
Rentals	-	-	-
Travel expenditures	17,294	1,215	18,509
Debt Service:			
Bond principle retirement	80,000	-	80,000
Interest expense	11,200	-	11,200
Capital outlay	227,768	-	227,768
TOTAL EXPENDITURES	\$ 9,025,357	\$ 1,215	\$ 9,026,572
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 996,914	\$ (1,215)	\$ 995,699
OTHER FINANCING SOURCES (USES):			
Sale of assets and seized property	\$ 14,280	\$ -	\$ 14,280
Bond issuance proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 14,280	\$ -	\$ 14,280
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 1,011,194	\$ (1,215)	\$ 1,009,979
FUND BALANCES, BEGINNING OF YEAR	8,021,936	25,552	8,047,488
FUND BALANCES, END OF YEAR	\$ 9,033,130	\$ 24,337	\$ 9,057,467

The accompanying notes are an integral part of this statement.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Total Net Changes in Fund Balances as of June 30, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,009,979
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**The change in net position reported for governmental activities
in the statement of activities is different because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period. (10,627)

Governmental funds report the sale of capital assets as gross revenues less any direct costs of the sale. However, in the statement of activities, the sale is also reduced by any remaining undepreciated basis of those assets at the time of the sale. (826)

In the statement of activities, certain operating expenses - compensated advances - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).

(Increase)/decrease in compensated absences	(977)
(Increase) in OPEB obligation	(1,312,447)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	<u>80,000</u>
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Total Changes in Net Position as of June 30, 2013	<u><u>\$ (234,898)</u></u>
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The accompanying notes are an integral part of this statement.

FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013

	<u>Tax Collector Fund</u>	<u>Bond Fund</u>	<u>Prisoner's Fund</u>	<u>Civil Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 149,579	\$ 73,310	\$ 21,584	\$ 41,805	\$ 286,278
Other assets	-	-	-	-	-
TOTAL ASSETS	<u>\$ 149,579</u>	<u>\$ 73,310</u>	<u>\$ 21,584</u>	<u>\$ 41,805</u>	<u>\$ 286,278</u>
LIABILITIES					
Due to other taxing bodies	\$ 149,579	\$ -	\$ -	\$ 41,805	\$ 191,384
Due to others pending court action	-	73,310	-	-	73,310
Due to prisoners	-	-	21,584	-	21,584
TOTAL LIABILITIES	<u>\$ 149,579</u>	<u>\$ 73,310</u>	<u>\$ 21,584</u>	<u>\$ 41,805</u>	<u>\$ 286,278</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws, and ordinances, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Acadia Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, ***Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments***. Certain of the significant changes in the Statement include the following:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Sheriff's activities.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

B. REPORTING ENTITY

For financial reporting purposes, the Sheriff includes all funds and activities that are controlled by the Sheriff as an independently elected parish official. The Sheriff is solely responsible for the operations of his office, which includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Acadia Parish Police Jury maintains and operates the building in which the Sheriff's office is located and provides funds for some equipment and furniture of the Sheriff's office. Because the Sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the Acadia Parish Police Jury. The accompanying financial statements present information only on the funds maintained by the Acadia Parish Sheriff.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Government - Wide Financial Statements (GWFS)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. These statements present all funds of the reporting entity, which are all considered to be governmental activities. Fiduciary fund activities of the Sheriff are not included in these statements. All the Sheriff's assets and liabilities, including capital assets as well as long-term liabilities, are included in the accompanying Statement of Net Position. Certain eliminations have been made as prescribed by GASB Statement 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated.

The Statement of Activities presents changes in net position. The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements (FFS)

Governmental Fund Financial Statements include an aggregated Balance Sheet and an aggregated Statement of Revenues, Expenditures and changes in Fund Balances for all major governmental funds and non-major funds. An accompanying reconciling schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net position presented in the Government-Wide financial statements. A fund is considered major if it is the primary operation fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The Sheriff used funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The amounts reflected in the governmental funds financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. This approach is then reconciled, through adjustment, to a government-wide view of the Sheriff's operations. The Sheriff reports the following governmental funds:

General Fund:

The general fund, as provided by Louisiana Revised Statute 33:1422 is the principal fund and is used to account for the operations of the Sheriff's office. The Sheriff's primary sources of revenue are a parish wide sales tax and a parish wide ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, feeding and maintenance of prisoners, various other reimbursements, fees, grants and commissions. General operating expenditures are paid from this fund.

Fiduciary Fund Financial Statements:

Fiduciary Fund Financial Statements include a Statement of Net Position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court actions. These funds, which are custodial in nature (assets equal liabilities); do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources such as federal grants. Those revenues are legally restricted by grant agreements to expenditures for specified purposes. Per criteria for FFS above, these funds are presented as nonmajor funds in the governmental fund financial statements.

D. Equity Classifications:

1. Government-Wide Financial Statements

Activities accounted for in the Government-Wide Financial Statements follow all applicable GASB pronouncements. During the year ended June 30, 2013, the Sheriff implemented GASB Statement 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The effect of the implementation was to replace the term of net assets with net position.

The sheriff's net position is reported in three parts:

- a. *Net investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets;
- b. *Restricted net position* – consists of net position with constraints placed on the use either by:
 - (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or
 - (2) law through constitutional provisions or enabling legislation; and

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Restricted or unrestricted amounts are considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted net position is available. Restricted amounts would be reduced first, followed by unrestricted amounts, when expenditures are incurred for purposes for which amounts in unrestricted net position could be used.

2. Fund Financial Statements

During the year ending June 30, 2011, the Sheriff adopted GASB Statement No. 54, *Fund Balance Reporting and governmental Fund Type Definitions*, which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. As a result, fund balance is classified as follows in the governmental fund financial statements. Proprietary fund equity is classified the same as in the government-wide statements.

Under GASB Statement No. 54 fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources are to be used.

- a. *Nonspendable fund balance* – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- b. *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. *Committed fund balance* – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- d. *Assigned fund balance* – amounts a government *intends* to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority to.
- e. *Unassigned fund balance* – amounts that are available for any purpose; these amounts are reported only in the general fund.

E. BUDGET PRACTICES

The proposed budget for the fiscal year ended June 30, 2013, was made available for public inspection on June 13, 2012. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 15 days prior to the public hearing, which was held at the Acadia Parish Sheriff's Office on June 28, 2012, for comments from taxpayers at which time the budget was legally adopted. According to the minutes, an amended budget was made available for public inspection on May 22, 2013 in the official journal 15 days prior to the public hearing held at the Acadia Parish Sheriff's Office on June 6, 2013, at which the amended budget was legally adopted.

All expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

The cash amount included in the accompanying financial statements consist of demand deposits, interest bearing demand deposits, money markets and time deposits. Cash equivalents include financial instruments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

G. RESERVE FOR UNCOLLECTIBLE RECEIVABLES

Since the Sheriff is required to provide civil department services for pauper cases, the sheriff has decided to establish a reasonable reserve for uncollectible receivables to cover both the pauper cases and other uncollectible receivables. As time passes, the Sheriff adjusts this reserve based on historical performance.

H. INVESTMENTS

Under Louisiana Revised Statute (R.S.) 33:2955, the Sheriff may invest in United States securities, government backed securities or certificates and time deposits as indicated in Note E above. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Under this definition the Sheriff does not have any investments.

I. COMPENSATED ABSENCES

The Sheriff's office has the following policy relating to vacation and sick leave:

Full-time deputies of the sheriff's office earn four to ten days of vacation leave each calendar year, depending on length of service. Vacation leave must be taken in the year earned and cannot be accumulated. However, unused vacation leave is paid upon termination of employment. Full-time deputies with a minimum of one year of service will receive ten paid sick days at the beginning of each calendar year. These full time deputies will then receive an additional day of paid sick leave for every year of completed full time service. If an employee does not use all sick days granted to them in a calendar year, the unused days will be rolled over to the next year. No payment will be made for unused sick leave at an employee's termination or retirement.

The Sheriff's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payment at termination or retirement.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Only the current portion of the liability for compensated absences should be reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability should be reported in the general long-term obligations account group.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets and related depreciation are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment and furniture	5-20
Vehicles	5

K. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

L. PREPAID ITEMS

Prepaid items consist of insurance paid in the current year that will benefit future periods.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

M. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

N. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

O. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those amounts.

NOTE 2: LEVIED TAXES

The Sheriff was authorized an ad valorem tax millage of 7.74 mils and levied taxes of 7.74 mils for 2013. Ad valorem taxes are recorded in the year the taxes are assessed. The taxes are normally collected in December of the current year and January and February of the ensuing year. Property taxes are recorded as receivables and revenues in the year assessed.

Total assessed value were \$27,609,152 in 2013 and \$28,046,723 in 2012. Louisiana state law exempts the first \$75,000 of the assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption amounted to \$5,963,919 and \$6,112,498 of the assessed values for 2013 and 2012, respectively.

NOTE 3: CASH AND CASH EQUIVALENTS

At June 30, 2013, the Sheriff has cash and cash equivalents in interest bearing and non-interest bearing accounts (book balance) totaling \$2,304,456 as follows:

Demand deposits	\$ 2,303,556
Petty cash	900
Total Cash and Cash Equivalents	<u>\$ 2,304,456</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2013, the Sheriff has \$3,372,813 in deposits (collected bank balances). These deposits are secured from risk by approximately \$1,557,598 of federal deposit insurance and \$26,129,664 of pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Sheriff's name.

There is restricted cash of \$66,358 in the bond sinking fund which is to be used only for the retirement of the long-term bonds payable.

NOTE 4: LAMP INVESTMENT POOLS

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- ** **Credit Risk:** LAMP is rated AAAM by Standards and Poor's.
- ** **Custodial Credit Risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools are not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool.
- ** **Concentration of Credit Risk:** Pooled investments are excluded from the five percent disclosure requirement.
- ** **Interest Rate Risk:** 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- ** **Foreign Currency Risk:** Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. At June 30, 2013, the Sheriff has investments in LAMP Funds in the amount of \$6,302,236.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

NOTE 5: RECEIVABLES

The receivables of the Acadia Parish Sheriff as of June 30, 2013, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Fees, charges, and commissions	\$ 382,754
Less: Allowance for Uncollectible Receivables	<u>23,768</u>
Net Fees, Charges, and Commissions	\$ 358,986
Ad Valorem taxes	10,995
Sales taxes	685,637
Prisoner maintenance	1,044
Due from deputies	-
Due from LSA Grant	-
Reimbursements	25,732
State/Parish appropriations	<u>26,537</u>
Net Receivables	<u>\$ 1,108,931</u>

NOTE 6: PENSION PLAN

Plan Description. Substantially all employees of the Acadia Parish Sheriff's Office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$800 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5% for each year if total service is at least 12 but less than 15 years, 2.75% for each year if total service is at least 15 but less than 20 years, and 3% for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980.) In any case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, LA 70802, or by calling (225) 219-0500.

Funding Policy. Plan members are required by state statute to contribute 10.0% of their annual covered salary and the Acadia Parish Sheriff is required to contribute at an actuarially determined rate. The current year rate was 13.25% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Acadia Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

valuation for the prior fiscal year. The Acadia Parish Sheriff's contributions to the System for the years ending June 30, 2013, 2012, and 2009, were \$488,709; \$452,075; and \$419,636 respectively.

NOTE 7: POST EMPLOYMENT BENEFITS

From an accrual accounting perspective, the cost of post-employment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Sheriff began to recognize the cost of post-employment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description. The Acadia Parish Sheriff provides certain continuing medical and life insurance benefits to its employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree and a portion of the coverage for dependents. See the sections below for additional details on medical and Life Insurance benefits cost. Employees are covered by a retirement system whose retirement eligibility [Deferred Retirement Option Plan (DROP) entry] provisions are as follows: 30 years of service at any age or, age 55 and 15 years of service.

Life insurance coverage is continued to retirees and the blended rate for active employees and retirees is \$0.66 per \$1,000 of insurance. The employer pays 100% of the cost of the retiree's life insurance after retirement. There is an age-related reduction formula after retirement (reducing to 75% of pre-retirement coverage at age 65 and to 50% at age 70). The employer cost is based on the blended active/retired rate and there is thus an additional implied subsidy. Since GASB Statement No. 45 requires the use of "unblended" rates, we have used the 94GAR Mortality Table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until Fiscal Year Ending June 30, 2009, the Acadia Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (the Acadia Parish Sheriff's Office portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost for the post-employment benefits on a pay-as-you-go basis. In 2013 and 2012, the Acadia Parish Sheriff's Office's portion of health care funding and life insurance funding totaled \$515,796 and \$452,366, respectively.

Effective with the Fiscal Year beginning July 1, 2009, the Acadia Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the Annual Required Contribution (ARC) except to the extent of the current year's retiree funding costs. These amounts were applied toward the Net Other Post Employment Benefits (OPEB) as shown in the following table.

Annual Required Contribution. The Acadia Parish Sheriff's Office Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Statement No. 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Statements No. 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

	<u>2013</u>	<u>2012</u>
Normal Cost	\$ 634,721	\$ 488,210
30-year UAL Amortization Amount	<u>1,247,292</u>	<u>1,022,036</u>
Annual Required Contribution (ARC)	<u>\$ 1,882,013</u>	<u>\$ 1,510,246</u>

Net Post-employment Benefit Obligation (Asset). The table below shows the Acadia Parish Sheriff's Office's Net Other Post-employment Benefit (OPEB) Obligation for the fiscal year ending June 30, 2013:

	<u>2013</u>	<u>2012</u>
Annual required contribution (ARC)	\$ 1,882,012	\$ 1,510,246
Interest on Net OPEB Obligation	120,627	79,733
Adjustment to annual required contribution (ARC)	<u>(174,396)</u>	<u>(115,273)</u>
Annual OPEB Cost/(Expense)	\$ 1,828,243	\$ 1,474,706
Contributions made	-	-
Current year retiree premium	<u>(515,796)</u>	<u>(452,366)</u>
Change in Net OPEB Obligation	<u>\$ 1,312,447</u>	<u>\$ 1,022,340</u>
Net OPEB Obligations - Beginning of Year	<u>3,015,665</u>	<u>1,993,325</u>
Net OPEB Obligations - End of Year	<u>\$ 4,328,112</u>	<u>\$ 3,015,665</u>

The following table shows the Acadia Parish Sheriff's Office's annual Post Employment Benefits (PEB) cost, percentage of cost contributed to the plan, and the net unfunded Post Employment Benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Liability/ (Asset)</u>
June 30, 2013	\$ 1,828,243	28.21%	\$ 4,328,112
June 30, 2012	\$ 1,474,706	30.34%	\$ 3,015,665

Funded Status and Funding Progress. In the fiscal years ending June 30, 2013 and 2012, the Acadia Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2013 was \$21,626,234 which is defined as that portion, as determined by a particular actuarial cost method (the Acadia Parish Sheriff's Office uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2013</u>	<u>2012</u>
Actuarial Accrued Liability (AAL)	\$ 21,656,234	\$ 18,359,164
Actuarial Valuation of Plan Assets (AVP)	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 21,656,234</u>	<u>\$ 118,359,164</u>
Funded Ratio (AVP/AAL)	<u>0.00%</u>	<u>0.00%</u>
Covered Payroll (Active Plan Members)	<u>\$ 4,009,489</u>	<u>\$ 3,918,166</u>
UAAL as a Percentage of Covered Payroll	<u>540.12%</u>	<u>468.57%</u>

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Acadia Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Acadia Parish Sheriff's Office and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Acadia Parish Sheriff's Office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method (ARC). The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. Since the OPEB obligation has not yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement No. 45 will be used.

Turnover Rate. An age-related turnover scale base on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 15.5%.

Post Employment Benefit Plan Eligibility Requirements. Historically, most employees have not retired until 25 to 30 years of service. It has been assumed therefore that employees retire three years after the earliest of the following: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 15 years of service. The three years is to accommodate the Deferred Retirement Option Plan (DROP) period. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate). GASB Statement No. 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Since the ARC is not currently being funded and not expected to be funded in the near future, this valuation has been performed using a 4.0% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8.0% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, was used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this evaluation.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only and the retiree pays for a portion of the cost for

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

dependents (\$90.12 monthly for children and \$142.00 monthly for spouse coverage). The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB Statement No. 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility and 80% of the blended rates after Medicare eligibility.

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases. This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases. The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal years.

OPEB Costs and Contributions

	<u>FY 2013</u>	<u>FY 2012</u>	<u>FY 2011</u>
OPEB Cost	\$ 1,828,243	\$ 1,474,706	\$ 1,434,733
Contribution	\$ -	\$ -	\$ -
Retiree premium	515,796	452,366	418,858
Total Contribution and Premium	\$ 515,796	\$ 452,366	\$ 418,858
Change in Net OPEB Obligations	\$ 1,312,447	\$ 1,022,340	\$ 1,015,875
% of Contribution Cost	0.00%	0.00%	0.00%
% of Contribution Plus Premium Premium to Cost	28.21%	30.67%	29.19%

NOTE 8: TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2013 as reflected in Statement G, include \$-0- of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$-0-. The Acadia Parish Tax Collector division settled and disbursed all unsettled balances due to taxing bodies during the Fiscal Year Ending June 30, 2013.

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

NOTE 9: CAPITAL ASSETS

A summary of changes in office furnishings, equipment and vehicles follows:

	<u>Balance</u> <u>07/01/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/2013</u>
<u>Governmental Activities</u>				
<u>Depreciable assets:</u>				
Equipment, furniture and vehicles	\$ 2,262,749	\$ 227,768	\$ 186,993	\$ 2,303,524
APDC	1,000,000	-	-	1,000,000
Total Depreciable Assets	\$ 3,262,749	\$ 227,768	\$ 186,993	\$ 3,303,524
Accumulated Depreciation:	<u>2,729,102</u>	<u>238,395</u>	<u>186,167</u>	<u>2,781,330</u>
Capital Assets, net	<u>\$ 533,647</u>	<u>\$ (10,627)</u>	<u>\$ 826</u>	<u>\$ 522,194</u>

Depreciation expense in the amount of \$238,395 was charged to public safety.

NOTE 10: DEFERRED COMPENSATION PLAN

Certain employees of the Acadia Parish Sheriff participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

NOTE 11: EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE ACADIA PARISH POLICE JURY

Certain operating expenditures of the Sheriff's office are paid by the Acadia Parish Police Jury and are not included in the accompanying financial statements. The Sheriff's office is located at 1037 Capitol Avenue, Crowley, Louisiana. The cost of maintaining and operating the parish courthouse is paid for by the Acadia Parish Police Jury.

NOTE 12: COMMITTED NET POSITION/FUND BALANCE RESERVE

The following schedule summarizes committed net resources at June 30, 2013:

	<u>Committed Fund Balance</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Committed</u> <u>Fund Balance</u>
Committed for Bond Debt Payment	\$ 66,358	\$ -	\$ 66,358

NOTE 13: LITIGATION AND CLAIMS

At June 30, 2013, the Sheriff was a defendant in lawsuits principally arising from the normal course of operations. The Sheriff's legal counsel has reviewed the Sheriff's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the Sheriff and to arrive at an estimate, if any, of the amount or range of potential loss to the Sheriff. As a result of the review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," or "remote," as defined by the Governmental Accounting Standards Board. All of the current claims have been classified as remote.

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NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

NOTE 14: RISK MANAGEMENT

Liability and Property Insurance

The Sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the Sheriff may join with other sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Acadia Parish Sheriff has joined together with other sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana sheriffs. The Sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The Sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage.

The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, La 70804.

In addition to the above, the Sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage during this year.

Group Self-Insurance Health Plan

The Sheriff provides health insurance coverage to its employees and their families through a partially self-insured plan. The Sheriff is liable for the first \$50,000 in claims per insured per year. The Sheriff is additionally liable for the next \$40,000 in aggregate claims that exceed the \$50,000 per insured per year. The sheriff has purchased coverage from an insurance company for all costs above this limit per participant and in aggregate. As of June 30, 2013, pending claims amount to \$120,784.

	<u>Beginning of Fiscal Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
Year Ended June 30, 2013	<u>\$ 120,784</u>	<u>\$ 1,434,449</u>	<u>\$ 1,343,462</u>	<u>\$ 211,771</u>

Post-retirement Health Care and Life Insurance Benefits

See Note 7 above.

NOTE 15: FEDERAL FINANCIAL ASSISTANCE

The Acadia Parish Sheriff participates in various grant programs funded by state and federal governments. The following schedule provides selected information on various grant expenditures for the year ended June 30, 2013.

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NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

<u>Federal Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Homeland Security	L07-8-001	\$ -
Narcotics	B06-8-003	-
Victim Assistance Program	C04-8-011	<u>1,215</u>
Total Expenditures of Federal Awards		<u>\$ 1,215</u>

NOTE 16: LONG TERM DEBT

The Revenue Bonds are collateralized by the revenue of the Acadia Parish Detention Center (APDC) and the other lawfully available funds available as established by the bond ordinance. The ordinance provides that the revenue of the APDC is to be used first to pay operating and maintenance expenses of the APDC and second to establish and maintain the APDC Bond Sinking Fund. Remaining revenues may then be used for any lawful purpose. It is also provided that the Issuer may use other lawfully available funds to supplement the cost of operating and maintaining the APDC.

Components of Restricted Cash

Current Maturities of Revenue Bonds	\$ 63,758
Revenue Bond's Accrued Interest Payable	<u>2,600</u>
Total Restricted Cash	<u>\$ 66,358</u>

At June 30, 2013, bonds payable consisted of the following issue:

Series 2005 Detention Center Refunding Bonds, dated October 1, 2004, interest is due in semi-annual installments commencing April 1, 2005 and shall mature serially on October 1 of each year through, October 1, 2015, bearing rates of 4.00%	<u>\$ 340,000</u>
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<u>Outstanding Bonds Payable</u>	<u>Balance 07/01/2012</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 06/30/2013</u>
Series 2004 Bonds	\$ 340,000	\$ -	\$ 80,000	\$ 260,000
Total Bonds Payable	<u>\$ 340,000</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 260,000</u>

Annual requirements to retire debt obligations are as detailed below:

<u>Interest Payment Dates</u>	<u>Interest Only Payment Dates</u>	<u>Principle</u>	<u>Interest</u>
October 1, 2013		\$ 85,000	\$ 5,200
	April 1, 2014		3,500
October 1, 2014		85,000	3,500
	April 1, 2013		1,800
October 1, 2015		<u>90,000</u>	<u>1,800</u>
Totals		<u>\$ 260,000</u>	<u>\$ 15,800</u>

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

NOTE 17: LEASES

Operating Leases

The sheriff is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the general fixed assets account group.

The Sheriff has operating leases of the following nature:

- a. The sheriff has seven (7) leases with Xerox for copiers. The copiers have total monthly lease payments of \$873. These leases are generally renewed at the end of each lease period.

The future minimum annual commitments under these non-cancelable operating leases are as follows:

<u>Fiscal Year</u>	
2013-2014	\$ 10,474
Total Future Minimum Lease Commitments	<u>\$ 20,948</u>

NOTE 18: Ex-Officio Tax Collector

The amount of cash on hand in the tax collector account as of June 30, 2013 consists of the following:

Collection of current and prior year taxes, not settled	\$ 103,724
Refunds and redemptions	7,087
Interest and other taxes and licenses	38,768
Ad Valorem taxes paid under protest:	
Ad Valorem taxes	\$ -
Investment interest on Ad Valorem taxes paid under protest	<u>-</u>
Cash on Hand at June 30, 2013	<u>\$ 149,579</u>

The amount of taxes collected by the tax collector for the year ending June 30, 2013 was as follows:

Department of Agriculture and Forestry	\$ 5,970
Acadia Parish Police Jury	2,318,204
Acadia Parish Library	1,251,251
Acadia Parish Fire Districts	1,819,525
Acadia Parish Road Districts	936,230
Acadia Parish School Board	9,607,470
Acadia Parish Assessor	883,236
Acadia Parish Law Enforcement	2,281,693
Acadia Parish Gravity Drainage Districts	1,793,471
Acadia Parish Council on Aging	441,618
Acadia/St. Landry Hospital District	170,982
Mermentau River and Harbor District	60,223
Louisiana Tax Commission	<u>8,289</u>
Total Taxes Collected	<u>\$ 21,578,162</u>

(Continued)

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

The amount of taxes assessed and uncollected for the year ending June 30, 2013 are as follows:

Department of Agriculture and Forestry	\$	3
Acadia Parish Police Jury		2,569
Acadia Parish Library		1,409
Acadia Parish Fire Districts		1,560
Acadia Parish Road Districts		1,054
Acadia Parish School Board		10,275
Acadia Parish Assessor		995
Acadia Parish Law Enforcement		2,570
Acadia Parish Gravity Drainage Districts		1,913
Acadia Parish Council on Aging		497
Acadia/St. Landry Hospital District		743
Mermentau River and Harbor District		55
Louisiana Tax Commission		-
Total Taxes Uncollected	\$	<u>23,643</u>

NOTE 19: New Accounting Pronouncements

- A. **GASB Statement No. 63** – During the fiscal year ending April 30, 2013, the Sheriff adopted Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of resources, Deferred Inflows of Resources, and Net Position*. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: *assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position*.
- B. **GASB Statement No. 65** – In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB No. 65 must be implemented by the District for the year ending June 30, 2013. The effect of implementation on the Sheriff's financial statements has not yet been determined.

NOTE 20: Subsequent Event Review

The Sheriff has evaluated subsequent events through December 27, 2013, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

ACADIA PARISH SHERIFF
Crowley, Louisiana

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GENERAL FUND BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Fees, Fines, Commissions and Charges for Services:				
Commissions - Fines & bonds	\$ 80,537	\$ 29,254	\$ 29,505	\$ 251
Civil & criminal fees	330,796	370,519	388,597	18,078
Court attendance	9,870	4,324	12,104	7,780
Community service reimbursements	32,907	32,906	32,906	-
Bond fees	39,184	29,180	28,199	(981)
Transportation of prisoners	44,055	54,839	49,225	(5,614)
Feeding & keeping of prisoners	1,236,655	1,246,372	1,562,362	315,990
Tax notices, etc.	156	3,793	65,590	61,797
Video poker commissions	128,305	190,750	201,022	10,272
Fines and forfeitures	2,655	-	-	-
Total Fees, Fines Commissions And Charges for services	<u>\$ 1,905,120</u>	<u>\$ 1,961,937</u>	<u>\$ 2,369,510</u>	<u>\$ 407,573</u>
Operating Grants and Contributions:				
Federal grants	\$ 12,827	\$ 6,295	\$ 24,595	\$ 18,300
State grants	276,577	300,999	303,804	2,805
State supplemental pay	488,011	421,963	468,981	47,018
State revenue sharing	326,222	325,845	325,845	-
Total Operating Grants and Contributions	<u>\$ 1,103,637</u>	<u>\$ 1,055,102</u>	<u>\$ 1,123,225</u>	<u>\$ 68,123</u>
Revenue from Taxes:				
Sales taxes	\$ 3,498,942	\$ 3,714,649	\$ 3,797,310	\$ 82,661
Ad valorem taxes	2,200,716	2,359,652	2,383,377	23,725
Total Revenue from taxes	<u>\$ 5,699,658</u>	<u>\$ 6,074,301</u>	<u>\$ 6,180,687</u>	<u>\$ 106,386</u>
Miscellaneous:				
Interest income	\$ 8,922	\$ 40,134	\$ 37,338	\$ (2,796)
Other income	227,931	286,932	311,511	24,579
Total Miscellaneous	<u>\$ 236,853</u>	<u>\$ 327,066</u>	<u>\$ 348,849</u>	<u>\$ 21,783</u>
TOTAL REVENUES	<u>\$ 8,945,268</u>	<u>\$ 9,418,406</u>	<u>\$ 10,022,271</u>	<u>\$ 603,865</u>
EXPENDITURES:				
Personnel Salaries:				
Sheriff	\$ 143,398	\$ 143,398	\$ 143,398	\$ -
Deputies	4,570,587	4,359,208	4,360,006	(798)
Employee Related Benefits:				
Pension fund	525,168	489,118	488,709	409
Unemployment insurance	8,386	1,523	1,269	254
Medicare	74,210	77,520	77,399	121
Workmens compensation	-	-	-	-
Operating Services:				
Liability insurance	306,922	249,334	243,864	5,470
Hospitalization	1,445,919	1,770,713	1,685,858	84,855
Telephone	110,757	90,332	90,282	50
Operating & Maintenance:				
Boat expense	126	4,501	4,127	374
Computer expenditures	123,533	134,994	79,687	55,307
Office expenditures	208,296	203,299	158,895	44,404
Dues & subscriptions	24,337	30,098	25,816	4,282
Prisoner feeding and maintenance	592,389	665,030	650,378	14,652
Prisoner transportation	9,457	2,655	3,611	(956)
Professional services	36,000	36,000	42,000	(6,000)
Deputy:				
Uniforms	25,000	26,447	27,256	(809)
Equipment and supplies	7,553	32,353	36,340	(3,987)
Training	36,590	64,715	63,433	1,282
Automobile:				
Repair and maintenance	84,682	113,922	108,439	5,483
Fuel and oil	311,889	283,765	289,844	(6,079)

The accompanying notes are an integral part of this statement.

GENERAL FUND BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (CONT.)				
Sheriff's allowance	-	-	-	-
Crime prevention expense	24,169	32,255	440	31,815
Criminal investigations	33,915	61,146	32,734	28,412
Juvenile programs	7,223	30,611	61,881	(31,270)
Radio maintenance	-	-	10,411	(10,411)
Canine maintenance	2,215	2,866	3,018	(152)
Rentals	-	-	-	-
Travel expenditures	15,408	13,207	17,294	(4,087)
Debt Service:				
Bond principle retirement	-	-	80,000	(80,000)
Interest expense	11,200	11,200	11,200	-
Capital outlay	182,602	168,429	227,768	(59,340)
TOTAL EXPENDITURES	\$ 8,921,931	\$ 9,098,639	\$ 9,025,357	\$ 73,281
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 23,337	\$ 319,767	\$ 996,914	\$ 677,146
OTHER FINANCING SOURCES (USES):				
Sale of assets and seized property	\$ 5,355	\$ 14,535	\$ 14,280	\$ (255)
Bond issuance proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 5,355	\$ 14,535	\$ 14,280	\$ (255)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 28,692	\$ 334,302	\$ 1,011,194	\$ 676,891
FUND BALANCES, BEGINNING OF YEAR	8,021,936	8,021,936	8,021,936	-
FUND BALANCES, END OF YEAR	\$ 8,050,628	\$ 8,356,238	\$ 9,033,130	\$ 676,891

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2013

GOVERNMENTAL FUND TYPE - GENERAL FUND:

The general fund is the main operating fund of the Sheriff. This fund is used to account for all financial resources not accounted for in other funds.

GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND:

GRANT FUND - The Grant Fund accounts for income related to federal grant monies for specific capital purchases and projects and for grant monies paid to cover overtime paid to deputies for increased patrols during holiday seasons.

FIDUCIARY FUND TYPE - AGENCY FUNDS:

TAX COLLECTOR FUND - Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes, licenses and fees. The Tax Collector Fund is used to collect and distribute these taxes to the appropriate taxing bodies.

CIVIL FUND - The Civil Fund accounts for the collection of funds in civil suits, Sheriff's sales and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

BOND FUND - The Bond Fund is a depository for cash bonds, fines and court costs which are posted in criminal and traffic cases and the collection of a \$30 bond fee charge levied for the processing of cash bonds. Bond fee charges are transferred to the Sheriff's General Fund and cash bonds are held until cases are heard in court and then either refunded to defendants or distributed as directed by the court.

PRISONERS' FUND - The Prisoners' Fund accounts for funds that belong to the inmates and use them to purchase personal items to be used by the inmates.

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUND
COMBINING BALANCE SHEET
AS OF JUNE 30, 2013

	<u>GRANT FUND</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 34,337
TOTAL ASSETS	<u>\$ 34,337</u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Accounts payable	\$ -
Loan payable	<u>10,000</u>
Total Liabilities	\$ 10,000
Fund Equity:	
Fund balance - Restricted by Grantors	<u>24,337</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 34,337</u>

The accompanying notes are an integral part of this statement.

GOVERNMENTAL FUND TYPE - NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

	<u>GRANT FUND</u>
<u>REVENUES:</u>	
Federal grants	\$ -
TOTAL REVENUES	\$ -
<u>EXPENDITURES:</u>	
Public safety:	
Current	
Deputy salaries	\$ -
Fringe benefits	-
Other direct costs	-
Materials and supplies	-
Travel expenditures	1,215
Capital outlay	-
TOTAL EXPENDITURES	\$ 1,215
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,215)
FUND BALANCES, BEGINNING OF YEAR	<u>25,552</u>
FUND BALANCES, END OF YEAR	<u><u>24,337</u></u>

The accompanying notes are an integral part of this statement.

FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Tax Collector</u>	<u>Bond Fund</u>	<u>Prisoners' Fund</u>	<u>Civil Fund</u>	<u>Total</u>
BALANCES AT BEGINNING OF YEAR	<u>\$ 1,468,739</u>	<u>\$ 107,339</u>	<u>\$ 9,747</u>	<u>\$ 63,127</u>	<u>\$ 1,648,952</u>
<u>ADDITIONS:</u>					
Deposits:					
Sheriff's sales	\$ -	\$ -	\$ -	\$ 1,509,410	\$ 1,509,410
Bonds	-	822,241	-	-	822,241
Advance deposits (suits)	-	-	-	-	-
Garnishments	-	-	-	243,926	243,926
Sequestration	-	-	-	-	-
Other deposits	-	-	259,459	-	259,459
Taxes, fees, etc., paid to tax collector	23,313,617	-	-	-	23,313,617
Interest earned	<u>43,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,118</u>
Total additions	<u>\$ 23,356,735</u>	<u>\$ 822,241</u>	<u>\$ 259,459</u>	<u>\$ 1,753,336</u>	<u>\$ 26,191,771</u>
Total Beginning Balance and Additions	<u>\$ 24,825,474</u>	<u>\$ 929,580</u>	<u>\$ 269,206</u>	<u>\$ 1,816,463</u>	<u>\$ 27,840,723</u>
<u>REDUCTIONS:</u>					
Taxes, fees, etc., distributed to taxing bodies and others	\$ 24,675,895	\$ -	\$ -	\$ -	\$ 24,675,895
Deposits settled to:					
Sheriff's general fund	-	113,990	-	361,576	475,566
Policy Jury	-	166,329	-	-	166,329
District Attorneys	-	105,914	-	-	105,914
Clerk of Court	-	72,382	-	80,834	153,216
Indigent Defender Board	-	112,297	-	-	112,297
Litigants	-	53,178	-	1,186,053	1,239,231
Attorneys, appraisers, etc.	-	-	-	58,500	58,500
Other settlements	-	162,316	247,622	42,603	452,541
Other reductions:					
Refunds	-	69,864	-	45,092	114,956
NSF checks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Reductions	<u>\$ 24,675,895</u>	<u>\$ 856,270</u>	<u>\$ 247,622</u>	<u>\$ 1,774,658</u>	<u>\$ 27,554,445</u>
BALANCES AT END OF YEAR	<u>\$ 149,579</u>	<u>\$ 73,310</u>	<u>\$ 21,584</u>	<u>\$ 41,805</u>	<u>\$ 286,278</u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA, PARISH OF ACADIA

AFFIDAVIT

Wayne A. Melancon, Sheriff of Acadia Parish

BEFORE ME, the undersigned authority, personally came and appeared, Wayne A. Melancon, the Sheriff of Acadia Parish, State of Louisiana, who after being duly sworn, deposed and said:


The following information is true and correct:

\$149,579 is the amount of cash on hand in the tax collector account on June 30, 2013;

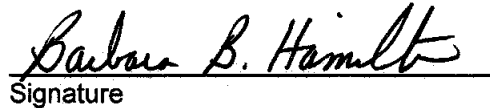
He further deposed and said:

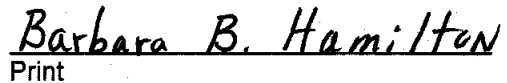
All itemized statements of the amount of taxes collected for tax year 2013, by taxing authority, are true and correct.

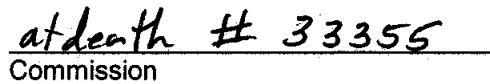
All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.


Sheriff of Acadia Parish

SWORN to and subscribed before me, Notary this 27th day of December 2013, in my office in the City of Crowley, Louisiana.


Signature


Print


Commission

INTERNAL CONTROL AND COMPLIANCE

BROADHURST, HAMILTON & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

-50-

ROBERT C. BROADHURST, CPA (1989)
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December 27, 2013

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Wayne A. Melancon
Acadia Parish Sheriff
Crowley, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards** issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Parish Sheriff, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Acadia Parish Sheriff's basic financial statements and have issued our report thereon dated December 27, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Acadia Parish Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Acadia Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of Acadia Parish Sheriff's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Current Year Audit Findings, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency. We consider the deficiency described in the accompanying Schedule of Current Audit Findings as Item 2013-01 to be a *material weakness* and the deficiency described as 2013-02 to be a *significant deficiency*.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Acadia Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards**.

(Continued)

Acadia Parish Sheriff's Response to Findings

The Acadia Parish Sheriff's response to the findings identified in our audit are described in the accompanying schedule entitled Management's Corrective Action Plan for Current Year Audit Findings. We did not audit the Acadia Parish Sheriff's response and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with **Government Auditing Standards** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, Louisiana Legislative Auditor, Louisiana Commission on Law Enforcement and Administration on Criminal Justice and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broadhurst, Hamilton & Company
Certified Public Accountants

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Part I - Summary of Auditor's Results

A. Financial Statements

1. Auditor's Report

An unqualified opinion has been issued on the Acadia Parish Sheriff's financial statements as of and for the year ended June 30, 2013.

2. Internal Control Deficiencies – Financial Reporting

Two significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements and are shown as items 2013-01 (material weakness) and 2013-02 (significant deficiencies) in Part 2.

3. Material Noncompliance – Financial Reporting

Nothing came to our attention that would require disclosure under Government Auditing Standards.

B. Federal Awards

This section is not applicable for the year ended June 30, 2013.

Part II - Financial Statement Findings Relating to an Audit in Accordance with Government Auditing Standards

2013-01: Inadequate Segregation of Accounting Functions

Finding:

There was not an adequate segregation of duties, specifically in the areas of cash receipts, processing of incoming mail, preparation of deposits, bank reconciliations, separation of payroll and general ledger functions, and recording of collection transactions.

Cause of Condition:

Certain personnel performed accounting duties in the areas of cash receipts; incoming mail processing; preparation of deposits; preparation of bank reconciliations; oversight and recording access to both general ledger and payroll functions; and recording of collection transactions that under internal control standards are considered incompatible activities.

Effect of Condition:

These conditions create risks to the safeguarding of cash balances and the recording of entries to the general ledger.

Recommendation:

Management should employ a better segregation of duties in the cash area. Whenever possible, personnel should not be allowed to handle incompatible functions in the collection and processing of cash transactions or in the recording of accounting transactions. Whenever incompatible duties exist because of personnel limitations, additional safe guards should be employed to counteract and safeguard assets.

(Continued)

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

2013-02: Inadequate Controls over Financial Statement Preparation

Finding:

The Sheriff does not have an a staff person with the qualifications and training to properly apply generally accepted accounting principles (GAAP) in recording the Sheriff's financial transactions or preparing its financial statements, including the related footnotes.

Part III - Federal Award Findings and Questioned Costs

This section is not applicable for the year ended June 30, 2013

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Finding 2013-01: Inadequate Segregation of Accounting Functions

The following response was provided by Mr. Ralph LaCombe, Chief Financial Officer for the Acadia Parish Sheriff.

Based upon the size of the Acadia Parish Sheriff's operation and the cost vs benefit of hiring additional personnel, it will be extremely difficult to achieve complete segregation of duties within all of the accounting functions of the Acadia Parish Sheriff's Office. We have elected to separate and/or rotate conflicting duties among available personnel whenever possible. Management will remain constantly aware of the problems that the lack of segregation of accounting functions can cause and the constant review of personnel assignments will be a priority. We have hired one additional hire in our accounting department in an effort to increase our control capacity. We are continuing the process of accessing this addition and how we can best use this position to strengthen our internal control system.

Finding 2013-02: Inadequate Controls over Financial Statement Preparation

Mr. Ralph LaCombe, Chief Financial Officer, has evaluated the cost vs benefit of the Acadia Parish Sheriff's Finance and Accounting Department obtaining the necessary qualifications and training to establish internal controls over the preparation of financial statements in accordance with GAAP. Mr. LaCombe has determined that it is in the best interest of the Acadia Parish Sheriff to continue to out source this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation. No additional plan is considered necessary.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Internal Control Over Financial Reporting

2012-01: Separation of Duties

Finding:

Due to the small number of accounting personnel, the Sheriff did not have adequate segregation of functions within the accounting system.

Status Follow Up:

Unresolved. The Sheriff and the Chief Financial Officer are aware of the problems regarding the lack of separation of duties and try whenever feasible to separate conflicting duties. Constant review of personnel assignments by management is considered a priority and is implemented on a continuous basis. An additional hire was made during the audit, but the assignment of duties and responsibilities were still being formulated at the end of audit field work. See current year finding 2013-01.

2012-02: Inadequate Controls over Financial Statement Preparation

Finding:

The Sheriff does not have an accountant with the qualifications and training to properly apply generally accepted accounting principles (GAAP) in recording the Sheriff's financial transactions or preparing its financial statements, including the related footnotes.

Status Follow Up:

Unresolved. The Sheriff and the Chief Financial Officer still believe it is in the best interest of the Acadia Parish Sheriff to continue to out source this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation. See current year finding 2013-02.

2012-03: Inadequate Controls over the use of Credit Cards issued to the Acadia Parish Sheriff's Office

Finding:

The Sheriff has issued credit cards to several members of management but does not maintain any written policies and procedures covering the use of the credit cards.

Status Follow Up:

Resolved. The Sheriff has established and put into place written policies and procedures covering the use of credit cards.

Compliance Findings

There were no findings that were required to be reported at June 30, 2012.

Management Letter Items

There were no findings that were required to be reported at June 30, 2012.